



Flemming Falkentoft, Legal Manager  
APM TERMINALS MOIN S.A.  
[flemming.falkentoft@apmterminals.com](mailto:flemming.falkentoft@apmterminals.com)

# Perspectives from the Private Sector Concessions in Costa Rica

25 years after the world started on a generalized trend to employ public-private partnerships in the construction of infrastructure and public service management, the environment in Latin American countries now more than ever is producing conditions that press for a review of the traditional public works and services management models.

# Perspectives from the Private Sector

## Concessions in Costa Rica

Due to severe budget limitations of the State and a shift of government priorities towards social sectors in Latin America, the challenges are urgent and must be faced with renewed clarity.

The new conditions that characterize the current economic environment in our countries and which are driving the adoption of public private partnership models are:

- a) Strong and unsatisfied demand for infrastructure*
- b) Growing local and long term capital markets*
- c) Users' willingness to pay for improved infrastructure services*
- d) Economic models for tariff setting.*

# Perspectives from the Private Sector

## Concessions in Costa Rica

Transportation is central to the development or underdevelopment of a society, and should be modernized so that trade, the economy and employment opportunities can grow.

- In order to grow in transportation and logistics the State needs to harness Private Investment.
- The private sector may invest at lower cost and with greater efficiency.
- State resources are thereby released so they can be invested in social sectors.

# Perspectives from the Private Sector

## Concessions in Costa Rica

Concessions are an efficient Private Sector model the State can use to complement its other funding mechanisms.

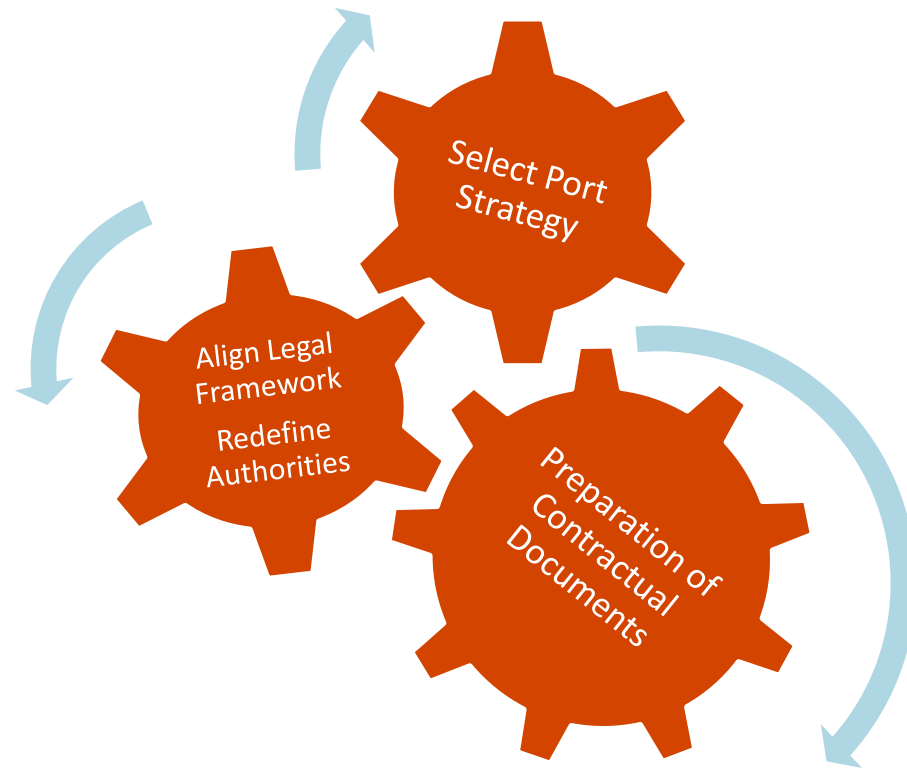
Concessions are a legal concept by which the State transfers to the private sector the implementation and operation of certain public infrastructure for a certain amount of time, but never transferring the ownership thereof.

The following documentation must be reviewed in order to determine the need for derogation, modifications, reforms or the introduction of new regulatory agencies:

1. Institutional Framework Legislation
2. Concessions or Contracts Law
3. Regulatory agencies for different activities (Ports, Customs, Environmental, Labor)

# Perspectives from the Private Sector Concessions in Costa Rica

The implementation of reforms requires establishing the rules and roles of the public and private sectors involved in three basic areas:



## Examples of the Benefits of Successful Models:

In Colombia, when the port labor force and a majority of port services were transferred from the public sector to the private sector an significant and rapid improvement was seen in productivity, cost reduction and investment returns for the concessionaires.

COLOMBIA.- PUERTO DE CARTAGENA MEJORAS DE RENDIMIENTO DESDE CONCESION AÑO 1994		
PARAMETROS DE CALIDAD	COLPUERTOS (1993)	SPRC (2003)
Tiempo de espera Buques Portacontenedores	10 dias	menos de 2 horas
Costo Real por Movimiento	\$984	\$224
Muelle Ocupado	90%	50%
Productividad Bruta por Hora	7 mov/buque hora	52 mov/buque hora
Horas laborables diarias	16	24
Tiempo de operación Buque Portacontenedores	72 horas	7 horas

## Examples of the Benefits of Successful Models:

In Argentina, the improvements resulting from the concession process of the Buenos Aires terminal have been dramatic.

- Positive changes in the port.
- Important reduction in oceanic/maritime freight costs.
- Employee productivity is four times higher than before.
- Volume increased almost 50%.

ARGENTINA.- PUERTO DE BUENOS AIRES INDICADORES DE RENDIMIENTO			
INDICADOR DE RENDIMIENTO	ANTES 1993	1996	2011
Carga (en miles de toneladas)	4.000	6.000	11.000
Contenedores (en miles de TEU's)	300	540	1.150
Costo por Contenedor Import (\$ por tonelada)	450	120	
Estadía promedio full container	2.5	1.5	
Capacidad (miles de conetendores por año)	400	1.000	



## Port Limón– Current Terminal



## Moín – Current Terminal





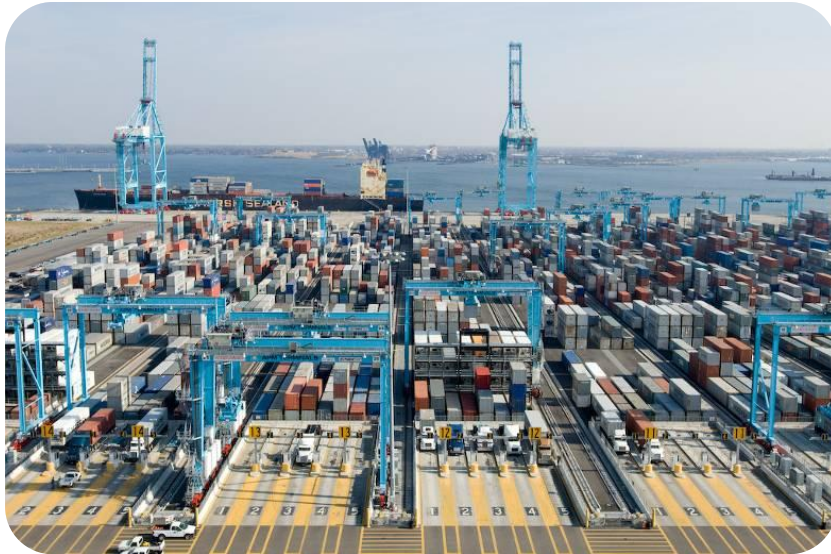
# APM Terminals, Portsmouth Virginia, USA

- 2004 Started Construction
- December 2007: Began Operations
- 2.1 mill TEU capacity
- 118 Ha yard/loading area
- 1220 m pier/docking space
- 6 gantries/mobile cranes

- 2004 (before)



2007 (after)



# APM Terminals, Algeciras, Spain



1986

1986

4 Ha yard/loading area  
2 gantries/mobile cranes  
70,000 lifts



2009

2009

60 Ha yard/loading area  
19 gantries/mobile cranes  
2 million lifts



# APM Terminals, Salalah, Oman



**2006**

Located in Oman

5 docking stations, 2,2 km pier

25 gantries/mobile cranes

Serves over 2,6 million TEU and 1.500 ships per year

4,5 million TEU capacity

# Moín Container Terminal (TCM) - (concept)



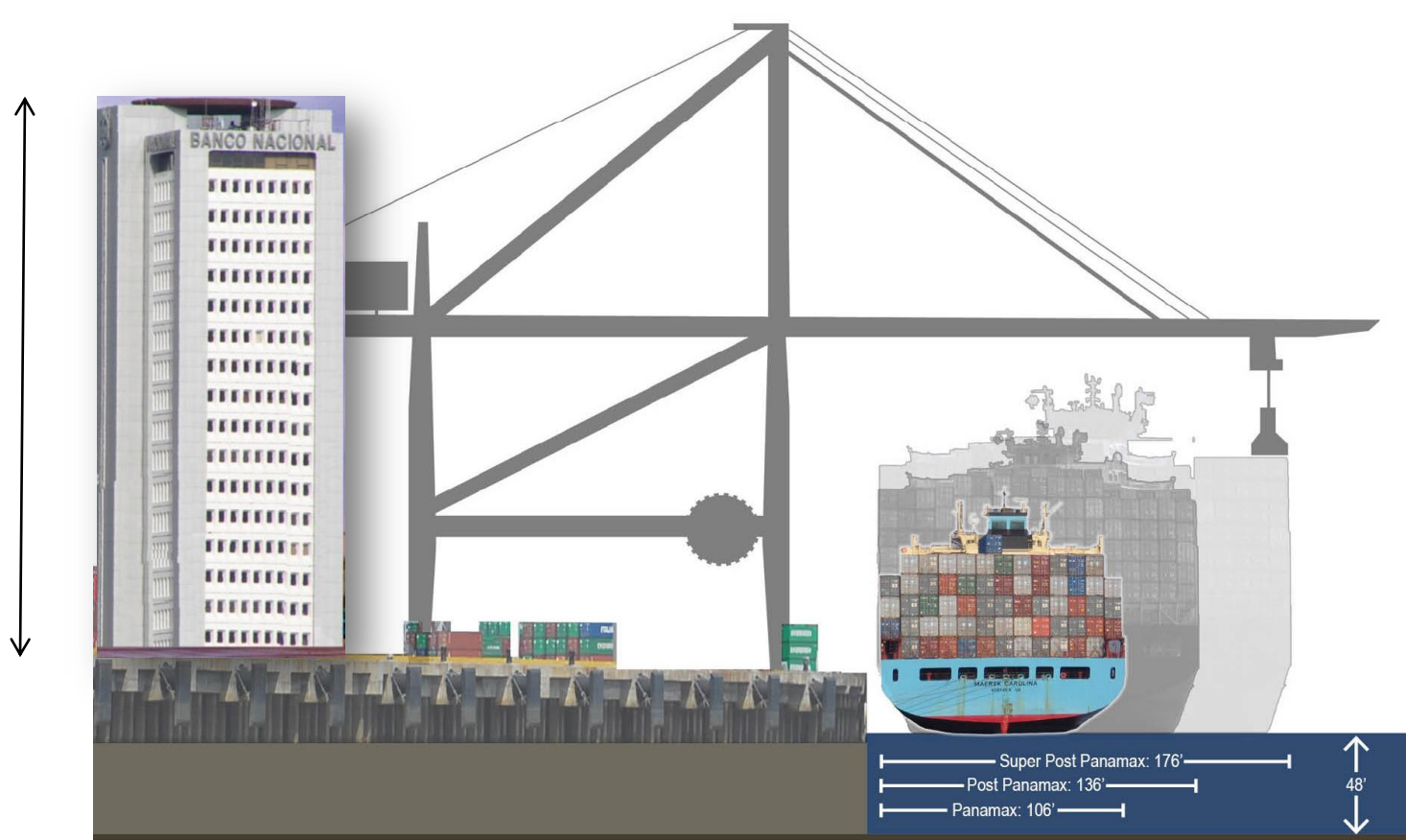
# Characteristics of TCM

## BN Building

81,8 m

## Gantry

85 m





# Commitment to Best Practices in Sustainability

**We believe in the active participation of the communities in which we work. We believe in working for a cleaner environment and ensuring health and security standards in our facilities and offices around the world.**

Kim Fejfer, CEO de APM Terminals,

“Our strategy is minimizing our impact in the environment with our daily operations in all our terminals and new business opportunities that we want to achieve”





# My Wish List

Control Entity with a long term, strategic and integral vision.

Develop a familiar contract for both parties: International and Standardized Contract (I suggest basis and recommendations from the World Bank)

Core Clauses:

- Insurance
- Finance (a comfort to potential lenders)
- Appropriate distribution of Risks
- Conflict Resolution

# My Wish List

Once awarded, the vision should be one of a long term strategic partnership and not one of doubt/fear = excessive care, processes delays.

I suggest finishing tasks well within time frames and not waiting until reaching deadlines.

Control Agency: I suggest Concession Contracts be reviewed with the supervising control entity in all its phases and that no parties sign off until all agencies have given their definite approval and formal endorsement.



# APM TERMINALS

[www.apmterminals.com](http://www.apmterminals.com)